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# WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
Memo	Jordan, Lipshutz & Moore to Pres. Carter, 10 pp., re: Judicial Appointments	1/31/78	C

## FILE LOCATION

Carter Presidential Papers-Staff Offices, Office of Staff Sec.-Pres. Handwriting  
File 2/2/78 [3] BOX 71

## RESTRICTION CODES

- (A) Closed by Executive Order 12356 governing access to national security information.
- (B) Closed by statute or by the agency which originated the document.
- (C) Closed in accordance with restrictions contained in the donor's deed of gift.

THE PRESIDENT'S SCHEDULE

Thursday - February 2, 1978

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7:00 Dr. Zbigniew Brzezinski - The Oval Office.

7:35 Depart South Grounds via Motorcade en route  
Washington Hilton Hotel.

7:45 Attendance at the National Prayer Breakfast.

9:52 Depart Washington Hilton Hotel en route Sheraton  
Park Hotel.

10:00 White House Conference on Balanced National Growth  
and Economic Development.

11:15 Return to the White House.

11:30 Mr. Jody Powell - The Oval Office.

1:15 Mr. Tom Hayden. (Dr. Peter Bourne).  
(10 min.) The Oval Office.

1:30 Mrs. Edith V. Knowles, Chairman, Board of  
(5 min.) Directors, Gold Star Wives of America; Mrs. Lavone  
Tueting, National President; and Mrs. Geraldine  
Chittick. (Ms. Midge Costanza) - The Oval Office.

2:00 Mayor Edward I. Koch. (Mr. Jack Watson).  
(15 min.) The Oval Office.

2:30 Meeting/Civil Service Reorganization.  
(30 min.) (Mr. Stuart Eizenstat) - The Cabinet Room.

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THE WHITE HOUSE  
WASHINGTON

February 2, 1978

Bob Lipshutz

The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original has been given to Bob Linder for appropriate handling.

Rick Hutcheson

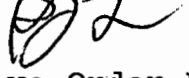
cc: Bob Linder

E.O. - RELATING TO CERTAIN  
FUNCTIONS TRANSFERRED TO SEC.  
OF ENERGY THE DEOA

THE WHITE HOUSE  
WASHINGTON

January 30, 1978

MEMORANDUM FOR THE PRESIDENT


FROM: ROBERT LIPSHUTZ   
RE: Proposed Executive Order Entitled  
"Relating to Certain Functions Transferred  
to the Secretary of Energy by the Department  
of Energy Organization Act"

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The Department of Energy Organization Act transferred to DOE and the FERC all those functions which had previously been vested by law in the FEA, ERDA, and the FPC, as well as certain functions in other agencies. Some of the functions exercised in the predecessor agencies were Presidential functions which had been delegated to the agencies by Executive Order or Proclamations.

The purpose of the attached Order is to recognize the transfers of delegated Presidential authority which have occurred and to identify those functions for administrative purposes. It is Justice's opinion that the transfers of the delegated functions have been in force since October 1, 1977, the effective date of the Act, and Section 6 of the proposed Order provides that all actions taken by the Secretary of Energy since that date have full force and effect.

We recommend that you sign the attached Order.

            Approve

           Disapprove

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

2 February 1978

TO: THE PRESIDENT  
FROM: RICK HUTCHESON  
SUBJECT: Memos Not Submitted


1. BOB LIPSHUTZ MEMO. A Hancock County, Georgia trial, involving associates of one John McCown, has been settled by pleas of guilty from the defendants involved. Lipshutz brought this to your attention because the defense attorney in the case had issued a subpoena to you for your recollections concerning the matter. ✓
2. JIM GAMMILL MEMO. You asked Jim why he had deleted nominees for Federal Election Commission and the Corporation for Public Broadcasting from the document resubmitting nominations on which Congress did not act in 1977.

The reason is that the FBI is conducting further investigations of a nominee for the Commission, and of a nominee for the Corporation (Irby Turner). Bob Lipshutz's office felt it best to complete these investigations before resubmitting the nominations. ✓

3. SECRETARY CALIFANO (who recently visited Canada, Great Britain and West Germany) sent you a lengthy memo giving you his impressions of the national health systems in these countries. With your approval, Stu's office will prepare a summary of this memo for you. ✓

THE WHITE HOUSE  
WASHINGTON

February 1, 1978

MEMORANDUM FOR: THE PRESIDENT  
FROM: JAMES F. GAMMILL, JR.   
SUBJECT: Presidential Appointment

In response to your question "Why" on my memorandum to you of January 25, the following information is being submitted:

As you requested in your memo response to the January 19 memorandum from Frank Moore, Hamilton Jordan, and Robert Lipshutz regarding nominations, on January 23 this office sent for your signature a document covering resubmission of nominations that you approved for resubmission to the Hill. After your signature, and before the document was actually delivered to the Hill, Michael Cardozo received new unconfirmed allegations from a Senate Committee Chairman concerning one of the nominees for the Federal Election Commission. Mr. Cardozo felt that it was improper to forward the nomination until the IRS and FBI had completed an investigation of the allegation.

Also, at your press conference (#19) of November 10, 1977, you stated your intention "to know more about the circumstances" with regard to Irby Turner. The FBI is in the process of finishing the second review of Mr. Turner, and Mr. Cardozo also felt it would not be wise to resubmit the nomination until the FBI had completed its investigation.

The new document of January 25, 1978, that you signed, and as of this date, has been forwarded to the Hill, reflected these above changes, as well as, including several other individuals.

THE WHITE HOUSE

WASHINGTON

January 25, 1978

Why  
?  
J  
JFZ

MEMORANDUM FOR:

THE PRESIDENT

FROM:

JAMES F. GAMMILL, JR.

SUBJECT:

Presidential Appointments

Per the request of Robert Lipshutz, I am resubmitting this memorandum and nomination document without the Federal Election Commission and Corporation for Public Broadcasting.

To be Members of the Board of Directors of the National Railroad Passenger Corporation for the terms indicated:

For the remainder of the term expiring July 18, 1978:

Frank H. Neel, of Georgia.  
James R. Mills, of California.

For a term expiring July 18, 1980:

Harry T. Edwards, of Michigan.  
Charles Luna, of Texas.

For a term expiring July 18, 1981:

Anthony Haswell, of Illinois.  
Ronald G. Nathan, of the District of Columbia.

William M. Isaac, of Kentucky, to be a Member of the Board of Directors of the Federal Deposit Insurance Corporation for a term of six years.

Louis Polk, of Ohio, to be Chairman of the United States Metric Board for a term of six years.



THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
/		LIPSHUTZ - top page
		MOORE
		POWELL
		WATSON
		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE  
WASHINGTON

2/2/78

Mr. President:

Eizenstat and Brzezinski  
concur.

Rick

## MEMORANDUM

THE WHITE HOUSE

WASHINGTON

2 February 1978

TO: THE PRESIDENT  
FROM: RICK HUTCHESON  
SUBJECT: Memos Not Submitted

2. JIM GAMMILL MEMO. You asked Jim why he had deleted nominees for Federal Election Commission and the Corporation for Public Broadcasting from the document resubmitting nominations on which Congress did not act in 1977.

The reason is that the FBI is conducting further investigations of a nominee for the Commission, and of a nominee for the Corporation (Irby Turner). Bob Lipshutz's office felt it best to complete these investigations before resubmitting the nominations. ✓

THE WHITE HOUSE  
WASHINGTON

<input type="checkbox"/>	FOR STAFFING
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<input checked="" type="checkbox"/>	LOG IN/TO PRESIDENT TODAY
<input type="checkbox"/>	IMMEDIATE TURNAROUND

*for summary*

ACTION	FYI	
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<input type="checkbox"/>	<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

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<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
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<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

THE WHITE HOUSE

WASHINGTON

February 1, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Bob Lipshutz *RL*

SUBJECT: Hancock County, Georgia, Matter

With reference to this matter, which culminated in criminal trials in the United States District Court in Atlanta commencing about the middle of January, a subpoena was issued to you regarding documents and recollections concerning the matter, and I have been working on it with the Department of Justice, etc.

Also, a letter was sent to you personally by a defense counsel, Al Horn. Fortunately, the case now has been concluded by pleas of guilty by five defendants and a nolo plea by a sixth defendant and a dismissal of the charges against the seventh. Attached is a copy of a news article summarizing the conclusion of the case.

I am advising you in case you should be questioned at some time about the mere fact that a subpoena was sent to you and a letter written to you by the defense counsel who requested the subpoena. Incidentally, Judge Moye had declined to quash the subpoena even though requested to do so by Bill Harper, United States Attorney.

See FIRE, Page 11-A

5 McCown

Associates

Plead Guilty

By Gary Hendricks

Continuation Staff Writer

Five associates of the late John McCown, an anti-poverty leader in Hancock County, pleaded guilty in federal court here Monday to lesser charges in connection with an alleged conspiracy to defraud federal funds.

Meanwhile Monday, the government dismissed allegations against a sixth defendant, Roosevelt Warren, the legal counsel for the anti-poverty program in Hancock.

Four of the defendants each pleaded guilty to a misdemeanor and the fifth pleaded guilty to a felony, bringing to an abrupt conclusion trial proceedings that had been expected to continue up to two months.

The jury-selection process had taken almost the entire time of the court last week. The jury was finally chosen Friday.

Government prosecutors said Monday that the pleas were worked out during the weekend. A witness had altered "important elements" of his testimony, prosecutors said, but they would not elaborate.

The federal prosecution was the result of an investigation which took almost two years to complete after a series of articles in The Atlanta Constitution in 1974 about McCown's Hancock operation, known as the East Central Committee for Opportunity.

McCown was indicted after his death in the crash of a privately owned aircraft in January, 1976.

The government said most of its case was directed at McCown.

"The government's evidence would have shown that the person responsible for the vast majority of the wrongdoing was John L. McCown, who is now deceased, and that the (other) defendants were followers who assisted him," a government press release said Monday.

Warren's attorney, Deryl Dantzier, See HANCOCK, Page 11-A

# Hancock

FROM PAGE 11-A

said that the case against Warren was dropped because "the government had evidence he was innocent."

The plea to the felony charge was made by Marion Fraleigh, McCown's former administrative assistant. She could face as much as five years in prison and a \$10,000 fine on the charge of making a false statement to the Office of Economic Opportunity, federal prosecutors said.

Gerald Poe, operator of an air-freight business financed by part of McCown's operations, and Gloria E. Gardner, an administrative assistant in a portion of the program, pleaded guilty to the misdemeanor of aiding in the con-

version to unauthorized use of Small Business Administration funds, the prosecutors said. A misdemeanor carries a maximum penalty of one year in jail and a \$1,000 fine.

John Askew, manager of a housing project, pleaded guilty to the misdemeanor of being an accessory after the fact in the Poe-Gardner transaction, prosecutors said.

Charles Solomon, a mechanical contractor, pleaded guilty to the misdemeanor charge of aiding and abetting the conversion of OEO funds, the prosecutors said.

Defense lawyers said that their clients were innocent and that the pleas were designed to prevent economic hardship caused by a lengthy trial.

Last week, Edith J. (Jackie) In-

gram, Hancock's probate judge and a former consultant in the McCown operation, pleaded no contest to misdemeanors rather than stand trial.

Sentencing for all the defendants who pleaded will be held later before U.S. District Court Judge Charles A. Moye Jr., who presided at the pleadings Monday.

The jury selection process had taken most of last week because the defense thoroughly questioned prospective jurors about racial bias. Of the defendants, only Miss Fraleigh is white.

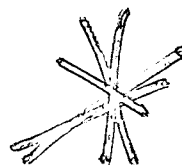
When The Constitution ran the articles on McCown, it reported that despite \$5.5 million in federal assistance the county remained largely impoverished. McCown, however, owned 600 acres of land and flew his own airplane. It was reported.

T H E   W H I T E   H O U S E

WASHINGTON

DATE: 01 FEB 78

FOR ACTION:



INFO ONLY: THE VICE PRESIDENT

STU EIZENSTAT

HAMILTON JORDAN

JODY PO WELL

JACK WATSON

PETER BOURNE

ZBIG BRZEZINSKI

SUBJECT: CALIFANO MEMO RE HEALTH CARE FINANCING IN CANADA, GREAT  
BRITAIN AND WEST GERMANY

+++++  
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +  
+ BY: +  
+++++

ACTION REQUESTED: THE ATTACHED IS FORWARDED TO YOU FOR INFORMATION

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE  
WASHINGTON, D. C. 20201

January 31, 1978

MEMORANDUM FOR THE PRESIDENT

FROM JOE CALIFANO *JAC Jr.*

SUBJECT: Health Care Financing in Canada, Great Britain,  
and West Germany

Since the United States is the only major industrialized nation that has not established a national health insurance program, we have the opportunity, in developing our plan, to learn from the experience of other nations. As you know, I have now visited Canada, Great Britain, and West Germany to explore first-hand the experience of these countries in providing comprehensive health care services to their citizens.

My thoughts are necessarily tentative and impressionistic, but I think they are worth sharing with you.

Demographically, these countries are similar to the United States, yet each has elected a vastly different approach to assure its citizens access to health care:

- o The Canadians have established province-administered plans (similar generally to our Medicaid program), which reimburse physicians on a fee-for-service basis and negotiate prospective budgets for privately-run hospitals.
- o The British have a national health service in which the government owns the hospitals, and sets salaries for physicians or pays them compensation based on the number of patients served.
- o The West Germans rely on an approach with less direct government involvement, which mandates payments by employers to insurance companies (or "funds," as they are called in Germany), leaves hospitals in private hands, and reimburses physicians on a fee-for-service basis.



At Tab A is a more detailed description of the plans of each of these countries.

In each country, I met with the top government health officials, with leading experts on health care, and with representative doctors, nurses, and hospital administrators. In addition, I visited selected facilities -- hospitals, doctors' offices, community health centers -- in an effort to understand the strengths and weaknesses of the system each country has developed to deliver medical care.

I have come away with a sense of the problems that we must anticipate, as well as an understanding of some of the pitfalls we must avoid.

Access to Medical Care -- While the systems in all three countries do have problems, it is striking that they have generally succeeded in accomplishing their central purpose. Medical care is available to virtually the entire population, and no citizen is financially devastated by medical bills. But questions still exist whether individuals are receiving appropriate care and whether -- in many cases -- government funding doesn't encourage unnecessarily expensive care.

Aging Population -- Despite their very different systems, all three countries are struggling to respond to health needs that are changing dramatically. As in the United States, the population of each of the three countries that I visited has an increasing percentage of older citizens. With an older population, the health care system in each country must place greater emphasis on geriatric care and on the treatment of chronic conditions common to the elderly. We must learn from the experience of other countries and consider carefully the tremendous impact this development will have on our national health care systems and our national health insurance proposals.

Mental Health Services -- Our interviews and site visits produced an equally striking consensus that demands for mental health services in all three nations had increased substantially. In Great Britain and Germany, general practitioners estimated that about half their patients had mental problems. Some urban general practitioners in Great Britain estimated that as many as 60 percent of their patients' chief problems involved a mental or emotional disorder. As public funds become increasingly available

to pay for medical care in our nation, we must recognize that the experience of these countries strongly indicates that we will face a mushrooming demand for mental health services.

Moreover, too often the responsibility to provide counseling for mental or emotional needs has fallen inappropriately on medical practitioners who have not been trained to treat emotional or mental problems. (Great Britain has, however, made some effort to orient its general practitioners to the handling of minor mental illness complaints.) Frequently, treatment provided for mental and emotional complaints is not as effective as it could be, and usually costs more than it should. These countries are using the very expensive services of psychiatrists and medical doctors when less expensive and more relevant professional counseling could often be provided. Our national health insurance plan must consider the need to provide resources to respond to the growing demand for mental health services in ways that are appropriate.

Failure to Change Existing Systems -- In visiting all three countries, I was deeply impressed that we confront a much more difficult task than these countries faced in developing a national health insurance program. For one thing, in each of the three countries, adoption of national health insurance did not involve any substantial break with the past. Each country's plan evolved out of an historical context which presented no substantial obstacles to adoption of a broad national program.

In West Germany, the national plan went into effect in the 1880's, based on a wide variety of employer-employee health insurance plans, when costs were very low. Great Britain had a pre-existing system of national health insurance based on "friendly societies." The national health service came in the wake of World War II when the voluntary hospitals were dependent on government financing and many doctors were being paid by the government's defense and veterans programs. As with Germany, costs were not the severe problem they are today. The current comprehensive Canadian system developed from hospital insurance plans that were set up in individual Provinces beginning in the 1940's.

But most importantly, each of these three countries basically accepted the health care delivery system as it was structured prior to the adoption of a national financing plan. Our

current system is so expensive and unchecked today that we cannot follow this course of action. We must try to reform our system to make it more efficient and more effective as part and parcel of our national health insurance proposal. The taxpayers of this nation should not be asked to continue to pick up the tab to pay for excessive medical costs and inefficiency.

Increasing Use of Psychotropic Drugs -- I repeatedly heard reports in all three countries of excessive prescribing of tranquilizers and other psychotropic drugs. This trend apparently reflects both the growing tensions inherent in a modern industrialized society, as well as the widespread view that a pill can cure many aches and pains.

In Britain, the health system spends about \$1 on prescription and over-the-counter drugs for every \$2.33 it spends on physician expenses. In Germany, \$1 is spent on drugs for every \$1.20 spent on physician costs. Today in our country, we spend \$1 on drugs for each \$2.36 on physician fees.

Physician Distribution -- Universal financing has not, on its own, resolved problems of the maldistribution of physicians. Each of the three countries uses financial incentives such as bonuses and guaranteed incomes to encourage physicians to locate in shortage areas. But these measures have in general not been successful despite the fact that all three countries believe they have -- or will soon have -- too many physicians overall. Particularly since physicians largely determine the demand for their own services, an overall increase in the number of doctors threatens further increases in medical care costs without promising much relief in the shortage of doctors in primary care practice or in underserved areas.

Quality of Services -- In comparing both medical institutions and the medical care available in all three countries with comparable institutions and medical care in this country, it appears to me that the quality of care in this country is at least the match of that observed in the countries I visited.

Costs of Services -- All three countries have had quite different experiences in containing health care costs. We can profit from examining the reasons for the differences as well as the effects of the measures each country has taken. Britain has had the greatest success in containing costs despite an overall inflation rate that is twice as high as ours. Health care expenditures there average about 6.9

percent of GNP vs. 7 percent in Canada, and 9.5 percent in West Germany. (This compares with a current rate of 8.6 percent in the United States -- a rate which continues to rise each year.)

All three countries have moved aggressively in recent years to reduce increases in hospital costs by adopting prospective budgeting for hospitals. In Britain, the rate of increase in real hospital costs is one-sixth the rate in America.

Per diem hospital charges in Germany are one-third of those in the United States, although largely because West German hospitals are staffed with less than one-third the number of employees per patient found in U.S. hospitals. In West Germany, the hospital staff-patient ratio is 1 to 1; in the United States it is 3.6 to 1.

Physician incomes are quite high in Canada and West Germany (significantly higher in West Germany than in this country), and both countries are initiating measures to restrict increases in fees. In Britain, which does not have fee-for-service physician payment, on the other hand, the average general practitioner earns a good income but not one the government has deemed excessive.

Great Britain has always been in a position to control costs directly because financing came from a single source -- the central government. But this control has traditionally been sparingly applied. The budgets prepared at all levels -- from a single hospital through regional allocations -- simply accepted the cost of the prior year and added more funds for inflation and for growth. It is only in the past few years, with the general difficulties in the British economy, that this system has been tightened considerably. Most recently the health system has been operating under a "limited real growth" budget in which increases have been allowed for inflation, but allocations have included only one and one-half percent for real growth.

The limited growth policy has begun to increase the tension between different regions of the country over the fairness of the allocation of funds between regions.

A new formula has now been developed to replace the current historical basis for allocation. The government has said it intends to move gradually to the new system by holding some

of the over-funded regions at a 0.3 percent real growth level while increasing allocations by three percent annually for historically under-funded regions. Implementing the new formula with little overall increase in funding would mean that some regions would be severely constrained. Most observers with whom we talked felt that this would be extremely difficult politically.

Second, the attempt to put a ceiling on growth within the National Health Service has begun to affect the quality or convenience of services rendered. Some people we met argued that waiting lists for many services within the National Health Service were growing due to the inability to add new beds and services.

Waiting lists have become an issue that has received a good deal of political attention in the United States. Opponents of increased government involvement in the health care field argue that British waiting lists demonstrate the inability of a government-run system to provide quality care. The British Health Service undeniably has waiting lists for a number of common elective surgical procedures. But there seems to be little wait for most types of medical care. Forty-five percent of hospital patients are admitted immediately, and the median time for those who have to wait for admission is less than seven weeks. But waiting time can range from a few months in the case of a procedure such as hernia repair up to a few years for some procedures, most notably hip replacement procedures for the elderly. Waiting periods of this length would most probably be a major political issue in the United States. Yet, in Great Britain they seem not to cause a great deal of political uproar, partly because the waiting lists may not be as severe as they have sometimes been pictured and partly because Britons appear to accept them as normal.

Rising health care costs are also the most serious problem currently faced by the German health insurance system. Health costs in Germany are not only rising rapidly, but are higher in absolute terms than they are in Great Britain and Canada. In recent years, the government has threatened strong action to contain rising health costs. For physicians' fees and the cost of other out-patient services, the threat of compulsory legislation prompted a voluntary agreement between the sickness fund associations and the physicians' associations to hold cost increases to a total of about 8 percent. The voluntary agreement proved effective in its first year of operation but the government passed legislation in 1977 to make the voluntary arrangements statutory.

For hospital costs, legislation enacted a few years ago separated reimbursement for capital expenditures from reimbursement for operating expenses. The government now provides full funding for capital expansions, but only those capital expansions approved by the state can be funded. Next year the federal legislature will consider a bill to control hospital operating costs.

Germany has recently adopted several cost containment measures, such as limiting capital expenditures for hospitals, putting a lid on total expenditures for physicians' services, and tightening peer review mechanisms. Despite these steps, increasing medical costs in Germany have yet to moderate, either because the controls have been in effect for a relatively short time, or because hospital operating costs are not controlled.

Administration -- The administrative structures of both the British and the German systems have created severe problems in both countries and their experience has convinced me that we must devote painstaking attention to how our national health insurance system will be administered.

Britain reorganized the National Health System in 1974. The reorganization pulled together administrative responsibility over hospital services, general practitioner services, and public health services -- each of which had previously been administered under a different authority prior to 1974. Most of the doctors and administrators we met felt this centralization of authority had helped the system substantially. But the reorganization also established a complicated administrative hierarchy of regional health authorities, area health authorities, and district authorities. Many people now believe that overlap and duplication between "districts" and "areas" make the system cumbersome and in need of streamlining.

The reorganization also sought to involve the relevant provider interests at the district level by creating a "management team" to make decisions at the district level. These teams are composed of six persons: an administrator, a financial officer, a community physician, a hospital physician, a general practitioner, and a nurse. While this team management concept is apparently helpful in involving many people in decisions, the absence of a single decision-maker has severely hampered efficient management.

The German system graphically illustrates the difficulties involved when one level of government (the state) has the spending authority while another level of government (in this case, the quasi-governmental sick fund associations) has the revenue raising authority.

The states also retain the final authority to set hospital rates. We were told by some observers that the state governments had blocked the passage of a hospital cost containment bill because it would have infringed upon their authority to set hospital rates, and might have been inconsistent with decisions the states made to approve or disapprove hospital capital expenditures. In effect, the states -- the parties with rate-setting authority but without revenue raising responsibility -- blocked the hospital cost containment legislation.

Phasing-In -- In Canada, phasing-in national health insurance by covering only hospital benefits in the first stage led to a serious unanticipated problem. The public had real incentives to be hospitalized because care in hospitals was free, and few had insurance for physicians' care outside the hospital. Thus, in Canada, medical care became even more hospital oriented than it had been previously. Patient demands encouraged a boom in hospital construction -- resulting in a very substantial oversupply of hospital beds.

In Canada the rates of increase in hospital costs (and in the public's utilization of hospital services) did not moderate until insurance was extended to ambulatory coverage in the late 1960's. With comprehensive insurance in place throughout the country, the rise in the cost of health care there has finally slowed.

It is apparent that many of the problems which we share with other countries do not have easy solutions, and that we must proceed cautiously in planning our national health insurance system. As we develop our recommendations for you, we will constantly cross-check our analysis against the hard experience of other countries to ensure our plan is as workable, sound, and effective as possible.

## SUMMARY OF HEALTH SYSTEMS

### Great Britain

History: The National Health Service which was established in 1948 grew out of a pre-existing program of national health insurance which had been passed in 1911. This program, in turn, had grown out of pre-existing "friendly societies." These friendly societies were voluntary organizations whose main functions were to pay cash benefits to workers when they were unable to work due to illness.

Hospitals in Britain started primarily as voluntary, non-profit charity hospitals, which provided care free or for a nominal charge. As late as 1940, hospitals received 95% of their funds either from local government or from charity and only about 5% from paying patients.

World War II caused drastic changes within the health system in Britain. During the war, many casualties were sent to hospitals and the costs were paid by the central government. Hospitals became heavily dependent on central government funding, and were ready, willing, and able to be nationalized. During the war at least one-third of the physicians were working for the government on a salaried basis.

By the end of the war, both major political parties favored continued governmental funding for hospital and physician services, and in 1948 the National Health Service was established.

Administration: Britain is the only one of the countries which has a National Health Service as opposed to a national health insurance program. The system is basically run by the government, with hospitals being owned by the government and hospital doctors and personnel serving as salaried employees. General practitioners practicing outside of hospitals are independent contractors, but paid entirely by the health system. The National Health Service is administered at the central government level by the Department of Health and Social Security which delegates responsibility downwards to regions, areas, and districts.



Eligibility and Benefits: All people resident in Britain are entitled to services from the National Health Service. Virtually the entire range of health benefits is provided by the Service.

Reimbursement: Hospitals are publicly owned and supported by general revenues. Funds flow to individual hospitals on a yearly budgeted basis. Specialists are, in general, salaried hospital employees, and patients cannot see specialists unless they are referred by a general practitioner. Payments to general practitioners are based primarily on three elements: a basic practice allowance; a sliding payment based on the amount of a doctor's rent for his office facilities; and a per capita payment for each patient who had formally signed up to receive primary care from an individual doctor.

Costs and Financing: The financing of the British health system is from general revenues (88%), payroll taxes (10%), and user fees (2%). Expenditures for the health system accounted for 5.9% of the gross national product in 1973, which has risen to 6.9% of GNP this year.

## Germany

History: The first legislation establishing a German health insurance system came in 1883 and was based on a pre-existing voluntary system of sickness funds which paid cash sickness benefits as well as medical benefits primarily for blue collar workers. The 1883 Act itself required low-income industrial workers to join sickness funds and required employers to make contributions to these funds. This basic system of mandatory membership in sickness funds grew slowly through the years, gradually expanding to cover other groups of the population and adding new mandatory benefits.

Each addition to the system continued the fee-for-service mechanism of reimbursing physicians, and generally resulted in increasing incomes for physicians. The sickness funds from the outset paid hospitals on a negotiated cost-related basis. The hospitals were, and remain, independently operated by religious orders, community groups or local government.

Administration: The health insurance system in West Germany relies basically on the private market. It is a fee-for-service system in which a network of more than fifteen hundred autonomous sickness funds operating under various federal laws and regulations reimburse both physicians and hospitals for each service provided to individual patients.

Three Federal Ministries have responsibilities regarding health care. The federal government primarily functions through these ministries as a regulator and overseer. The federal government requires most workers to be members of sickness funds, and requires employer contributions to those funds. Constitutionally most power to implement the program is vested in the state governments. Direct responsibility for hospital planning and for allocation of capital funds is vested in the states. The states are also responsible for overseeing negotiations between the state hospital and physicians' associations with the various sickness fund associations.

Eligibility and Benefits: The West German health insurance system covers slightly more than 90% of the population under the statutory system. Benefits under the statutory program are extremely broad covering most health services, including even recuperative stays in spas under a physician's prescription. Most of the remaining 10% of the population are civil servants covered under another system.

Reimbursement: Hospitals are reimbursed for operating expenses on the basis of negotiated per diem rates. Under a law passed in 1972, hospital capital expenses are handled separately from operating expenses. Hospitals wishing to make capital expenditures must apply to the states for approval and for public funding.

Physicians in Germany either provide outpatient care on a private practice, fee-for-service basis or are salaried, in-hospital staff physicians. Out-of-hospital physicians' fee schedules are negotiated periodically between sickness fund associations and the physicians' associations. Last year, under threat of legislation, the sickness fund associations and physicians' associations voluntarily agreed to set a limit on the increase in physician reimbursement and established an 8% cap in 1976.

Costs and Financing: Health expenditures have risen very rapidly in West Germany. In 1976 total expenditures on the health care system equaled about 9.5% of the gross national product. The insurance system is financed through employer and employee payroll contributions. The level of contributions may vary from one sickness fund to another, but employers and employees each contribute in the range of 5 to 6.5% of covered wages

## Canada

History: Government involvement in health insurance in Canada began in the 1940's with a series of different hospital insurance plans in various Canadian provinces. In 1957, a national program of hospital insurance was passed under which the Federal Government assumed about one-half of the cost of provincial hospital insurance programs. By 1961, each of the Canadian provinces had hospital insurance programs covering all residents on a mandatory basis, and administered directly by the provinces.

In 1966, Canada passed the Medical Care Act which became effective in 1968. Under This Act, the Federal Government agreed to pay half the cost of medical care plans in the various provinces providing that the plans provided comprehensive coverage for all physicians services, were universally available to all residents, and were administered by public authorities on a nonprofit basis within each province.

Unlike Great Britain and Germany, Canada had widespread private insurance coverage (covering some 82% of the Canadian population for physicians' services in 1968) which was replaced by a public program. (This is roughly comparable to the extent of private insurance coverage in the United States today.)

Administration: The Federal Provincial Health Insurance system in Canada is administered by the provincial governments themselves under Federal guidelines. In most provinces, there are administratively separate plans for hospital and medical care insurance though a few provinces have combined these under one overall authority.

Eligibility and Benefits: The Canadian program covers virtually the entire population and benefits typically include all inpatient services plus a broad range of medical and other health services.

Reimbursement: Hospitals in Canada are generally reimbursed on the basis of prospective budgets negotiated between individual institutions and provincial boards. Capital expenditures are separated from operating expenditures and are not reimbursed by the insurance plans -- they are covered by other sources, including public funds. Physicians are generally reimbursed on a fee-for-service basis according to fee schedules negotiated periodically between the provincial governments and the corresponding physicians' associations.

Cost and Financing: Health expenditures run about 7% of GNP. Each province finances its plan through a mixture of general revenues, special taxes, and premiums on households. The mix varies from province to province. The federal share of cost is paid by general tax revenues.

THE WHITE HOUSE

WASHINGTON

February 1, 1978

MEMORANDUM TO RICK HUTCHESON

FROM: PETER BOURNE *P.B.*

This is a very informative report, but we should be careful to avoid letting the experiences and problems in other countries create obstacles or excuses in our own minds in planning our own N.H.I. Our situation is very different from these other countries and their experiences are not that relevant to us.

The bottom line, however, remains that they have health systems and we do not, and that as a result the standard of health enjoyed by most Germans, British, and Canadians is better than that of most Americans. Regardless of the problems we face in implementing this memo N.H.I. should make us even more committed to achieving our own system.

PGB:ss

WASHINGTON

DATE: 01 FEB 78

FOR ACTION:

INFO ONLY: THE VICE PRESIDENT                      STU EIZENSTAT  
59NFO ONLY: THE VICE PRESIDENT                      STU EIZENSTAT  
                 JACK WATSON                                 PETER BOURNE  
                 ZBIG BRZEZINSKI  
SUBJECT: CALIFANO MEMO RE HEALTH CARE FINANCING IN CANADA, GREAT  
                 BRITAIN AND WEST GERMANY

+++++  
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +  
+ BY: +  
+++++

ACTION REQUESTED: THE ATTACHED IS FORWARDED TO YOU FOR INFORMATION

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

C

Memorandum to the President

From Jim Fallows, Achsah Nesmith

About: White House Conference on Balanced Growth --  
Reports of Workshops

You will speak after listening to the summaries of reports of the 24 workshops on the six conference themes. Although their recommendations were often as varied as their members, there were several recurring points that come through to some extent in the short summaries you will hear, but even more clearly in the longer reports and recommendations.

1. Most of the groups felt the federal government should take over all funding of welfare and Medicaid.

2. The multi-state and metropolitan area commissions were cited by almost every group as a useful way of dealing with problems that cross traditional boundaries and as a channel for federal activity. Some suggested making provision for private business and citizen participation on these commissions. Several urged federal programs should include incentives to work out regional problems through these bodies.

3. Many of the participants came prepared to defend the special interests of their group, state or region, often armed with data and position papers. But to the surprise of many present, there was little

shrill advocacy. Instead, they discussed their hopes for America in an atmosphere of openness and mutual respect, and the conference had a unifying effect. Participants rejected regional conflict as a diversion from the real issues that face all of our people. No urban-rural split occurred, no Sunbelt-Frostbelt split. Business and environmentalists did not square off. Instead, most of the workshops concluded that federal aid should be targeted to distressed areas, wherever they are--inner city, small city, suburb or rural area.

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THE WHITE HOUSE

WASHINGTON

February 1, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: JIM FALLOWS, *JF* ACHSAH NESMITH *AN*  
SUBJECT: White House Conference on Balanced National  
Growth and Economic Development

Note: You'll speak briefly after listening to the reports of the six workshops. We will have all of those reports by nine p.m. and will get summaries and talking points on them to you tonight.

1. In the printed program there is a statement from you welcoming participants to this conference. You noted that most of the serious issues before our government today are connected in one way or another to economics. Unemployment, inflation, energy, revitalizing our cities, even problems of health and old age and our young people's search for meaningful and useful lives -- all of these depend on the answers we find to our economic problems. Decisions we make now will affect the lives of our people, and others all over the world, for years to come.

This conference was assembled to help the Administration and the Congress and others in government to see all the factors, all the possibilities and probable results of current policies and programs -- and of alternatives.

We must consider not just the economic consequences of various actions or inaction, but also the basic question of

what kind of country we want -- now, and ten, twenty, fifty years from now. We cannot, of course, determine the future or control all the exciting and perhaps terrible events, discoveries and inventions that will shape the lives of our children and grandchildren. But we can help shape those events, and by our choices, partly determine the choices that will be available to them. This conference, which gives us a chance to plan and take stock with broad citizen participation, is a way of improving the odds that we will choose wisely.

2. As Governor in 1972 you set up the Goals for Georgia Program, which enlisted citizens from all over the state to voice their concerns and priorities for state policy. Similar efforts were going on in other states. In all, representatives of 33 states participated in local, State and regional conferences leading up to this one.

The delegations attending this conference (375 of the participants were chosen by the governors of the states and territories on a modified electoral college basis, and 125 more selected by the conference staff to ensure adequate representation of women, minorities and other interests). But in addition to the broad experience and diverse views they bring, this conference held an all-day Public Forum Wednesday, listening to citizens from across the country who wished to make a statement. Written statements

will be taken through February 28 (Atlanta Mayor Maynard Jackson will report on this portion of the conference just before you arrive. He and California Assembly Speaker Leo T. McCarthy were co-chairmen of the Public Forum. Senator Jennings Randolph of West Virginia will follow you to close the conference. Jack Watson, Stu Eizenstat, and Secretaries Kreps, Bergland and Harris and the Vice President have spoken earlier in the week.)

3. From service in Georgia -- on the local school, library and hospital boards, in the State legislature, in regional and State planning organizations and as Governor, you know firsthand about problems that often arise when Federal activities touch local needs. (About one-third of the participants are with State and local governments.) Too often programs have had to be designed to meet Federal requirements rather than local needs, and the result has been waste and inefficiency and delay. One of the cruelest things government programs have often done is to hold people in limbo while the situation deteriorates -- neighborhoods have died, businesses gone under or moved away, while government ponderously made up its mind and belatedly got around to keeping its promises. Often the original solutions that might have been adequate would no longer work by the time they were implemented. Too often the people most involved were the least consulted.

4. Harrison Wellford suggests the following language on structural reform:

"Federal involvement in promoting balanced growth and economic development has expanded greatly since the sixties. In the haste to respond to specific problems, we have created a system which is confusing and cumbersome for everyone. Ten different Federal agencies are involved in community and economic development efforts. These agencies administer over 300 different programs. For those on the receiving end, the result is too often frustration and delay. The regulations of one agency run counter to those of another. State and local officials find themselves in a bureaucratic nightmare, unable to make the most effective use of limited resources which the federal government can provide. If the federal-state-local partnership is to have any real meaning, the federal government must get its house in order. If we are to have any hope of working effectively with private industry and volunteer citizens' groups, confusion and red tape in federal programs must be reduced. Through the next several months, we will be exploring a wide range of options for improving the operations of these programs. These will include procedural changes as well as organizational changes necessary to make the procedural changes happen."

5. This conference has dealt with growth, something our nation has assumed until fairly recently was unlimited and always good. We have discovered that growth can be either healthy or destructive, and that there are more important measures of growth than size. A maturing nation must learn to manage its growth so that something besides the problems get bigger. This group has considered environmental needs, limited resources, declining cities, changing industrial and living patterns, human needs and what to do about those who have been left out and even pushed out by economic growth. You thank them for coming and look forward to their full recommendations. Working together we can forge a true national unity and create a tomorrow where economic growth means human opportunity, environmental quality and fairness to all.

6. The conferees have dealt with Sunbelt-Frostbelt issues, whether the federal government should help people get to jobs that have left the cities or try to create jobs where the unemployed live, the relative value of service projects in long-term job creation and whether it is worthwhile to try to get industries to move into areas where their costs will push up prices and tend to make them noncompetitive. Stu's and Jack's staff people felt you probably would not want to get into these in specific ways.

# # #

THE WHITE HOUSE

WASHINGTON

REMARKS TO THE WHITE HOUSE CONFERENCE  
ON BALANCED NATIONAL GROWTH  
AND ECONOMIC DEVELOPMENT

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Thursday, February 2, 1978

10-11 a.m.

Sheraton Park Hotel

From: Jack Watson *Jack*  
Jane Frank

I. PURPOSES:

- ° To hear reports from Chairpersons of six of the twenty-four workshops on the six major themes of the Conference:
  - Economic development strategies;
  - Creating employment opportunities for individuals;
  - Fiscal capacity and service delivery problems of local governments;
  - Economic growth and development, environ-mental quality, and resource constraints;
  - The public sector role in influencing the geographic distribution of economic activity and population;
  - Assessing the inadequacies of government structure and processes.
- ° To hear a summary of an unprecedented "public forum" at which a hearing panel composed of White House staff and members of the Advisory Committee to the Conference heard testimony for over fourteen hours from over 200 public witnesses from 9:00 a.m. to 11:00 p.m. on Wednesday, February 1;
- ° To state your general reactions to the reports; and to make some more general observations about the process and substance of the Conference. (See attached talking points by Jim Fallows.)

## II. BACKGROUND, PARTICIPANTS, AND PRESS PLAN

A. Background: In previous memoranda we have outlined the authorizing legislation, pre-Conference activities, process for selecting participants and the Advisory Committee, and format of the Conference. I think it is fair to say that, since it began on Sunday night, the Conference has been an enormous success. Participants are working hard; most speakers have been well-prepared and interesting; all events have been well attended; and the overall mood is positive and relaxed.

-- The opening night included speeches by Juanita Kreps and me and the showing of a powerful film about the history of growth in America and the complex issues our further growth now poses for us. Jay Rockefeller (who has done an outstanding job as Chairman of the Advisory Committee) also made brief comments and introduced the members of the Committee.

-- On Monday morning, the first plenary session was held on Energy, Water, Environment and Growth: limited resources and conflicting objectives. Henry Ford stated his belief that we can have both vigorous economic growth and a high level of environmental quality, but that unless first priority is given to economic growth, we cannot have either. He then criticized the volume and needless complexity of government regulations and said that too much of a burden is put on business. Mo Udall countered that the lesson of the 70's is that we cannot repeat a pattern of economic growth that requires a continuing doubling of energy and resource consumption.

-- Bob Bergland spoke at lunch on Monday on behalf of the needs of rural America. He deftly fielded some tough questions about the plight of farmers.

Exports

-- On Monday afternoon, the second plenary session concerned Structural Unemployment. All participants were generally agreed on the severity of the problem, and all who spoke favored some form of public action designed to reach those in greatest need--the young, non-white and women. There was, however, among speakers and questioners a significant difference in approach and outlook.

-- Reg Jones said that the key to the problem is the general capacity of the private sector to generate new job opportunities. He urged adoption of your \$25 billion tax cut and an expanded investment tax credit. He accepted, he said, the premise in the quotation from President Kennedy that just as "a rising tide lifts all boats," a growing economy will elevate all sectors of society.

*Balance  
Econ  
Program*

-- In contrast, Vernon Jordan was skeptical about incentives to private firms. He called instead for fashioning governmental programs to target funds directly to locations and groups in need. Reg and Vernon also differed on Humphrey-Hawkins and the investment tax credit. Vernon called your proposal on ITC "a sleeper...that could deal the final death blow to the cities." He urged that it be directly tied to investments in high unemployment areas.

*Service  
Jobs*

-- At dinner on Monday, Bob Brown substituted for Ray Marshall and explained the Labor Department's record on job creation.

-- Tuesday morning was the third plenary session on Local Fiscal Plight. Mayor Lila Cockrell urged a stronger state role in education, highways and public transportation, but feared such a role in developing an urban strategy toward cities. Governor Mike Dukakis, on the other hand, called for the states to develop a comprehensive state-wide growth policy as the basis for targeting state and federal public investment. Senator Pete Domenici called for "re-federalization" by which he meant a comprehensive analysis of functions performed by the various levels of government to be followed by a "swap-out" in which the federal government would assume full responsibility for health and welfare and, in exchange, state and local governments would accept functions costing approximately the same number of dollars now performed by the federal government.

*BJIP*

-- Stu Eizenstat spoke at lunch on Tuesday and outlined your record in the domestic area.



-- Tuesday afternoon was the final plenary session: Beyond Sunbelt-Frostbelt: Regional Policy for a Changing Economy. Senator Moynihan delivered an historic review of regionalism and ended with a plea for funds for New York City. George Busbee was excellent in raising the peace flag and pointing out that federal programs should be retooled to reach effectively distressed populations in cities all over the country. According to him, the new Community Development Block Grant formula results in funds for relatively well-off northern bedroom suburbs instead of for the inner cities which have the greatest need. He said that the south had become more sophisticated and would block passage of similar inequitable legislation in the future. Walt Rostow said that the key problem facing all regions is energy.

-- There was an enormous turnout at last night's White House reception, at which Rosalynn spoke.

-- All day today, two hearing panels have been listening to the 200 plus witnesses who asked to testify. The "public forum" was very well organized, and the testimony from Members of Congress (Senator Glenn, Reps. Andrew Maguire, Michael Harrington, James Scheuer) Governors (Jim Hunt, Milton Shapp), political figures (Aaron Henry, Pug Ravenal) and representatives of every variety of citizen and business group was thoughtful and interesting. All testimony will be part of the formal record presented to you after the Conference.

-- At lunch on Wednesday, Pat Harris gave an excellent speech on the special needs of women, minorities and urban areas.

-- Later this evening, we will receive copies of the reports to be delivered to you tomorrow and will have a summary for you before you leave for the National Prayer Breakfast at 7:30 a.m. tomorrow.

- B. Participants: 375 out of 500 official participants were selected according to a population formula by the Governors. The other 125 were selected at-large by us. 25.9% of the participants are from business; 13.2% from labor; 34.9% from state and local governments; 25.9% from other groups. 22.9% are women; 15.1% are minorities (10.3% Black; 3.5% Hispanic; and 1.2% Indian).

TALKING POINTS

THE WHITE HOUSE  
WASHINGTON

TALKING POINTS

From: Jim Fallows, Achsah Nesmith

1. Commend the process involved in planning and conducting the Conference:

- a) Hearings in most states;
- b) Regional hearings;
- c) Selection of most participants by the states themselves;
- d) Broadly representative group of participants;
- e) Format of Conference conducive to discussion: Small workshops; plenary sessions set up as debates to reflect all points of view of major issues;
- f) Unprecedented nature of yesterday's public forum;
- g) As Governor in 1972, you set up the goals for Georgia's program, which enlisted citizens from all over the state to voice their concerns and priorities for state policy.

*Future of  
South*

2. Another unique feature of this Conference is its focus on long-term problems and not only the crises of the moment. Crucial to your discussions has been the consideration of what kind of country we want--now, and ten, twenty, fifty years from now. We cannot, of course, determine the future or control all the exciting and perhaps terrible events, discoveries and inventions that will shape the lives of our children and grandchildren. But we can help shape those events, and by our choices, partly determine the choices that will be available to them. This Conference, which gives us a chance to plan and take stock with broad citizen participation, is a way of improving the odds that we will choose wisely.

3. From service in Georgia--on the local school, library and hospital boards, in the state legislature, in regional and state planning organizations and as Governor, you know firsthand about problems that often arise when federal activities touch local needs. (About one-third of the participants are with State and local governments.) Too often programs have had to be designed to meet federal requirements rather than local needs, and the result has been waste and inefficiency and delay. One of the cruelest things government programs have often done is to hold people in limbo while the situation deteriorates--neighborhoods have died, businesses gone under or moved away, while government ponderously made up its mind and belatedly got around to keeping its promises. Often the original solutions that might have been adequate would no longer work by the time they were implemented. Too often the people most involved were the least consulted.

*Antigone*

4. You also recognize that the federal system is confusing and cumbersome. Ten different federal agencies are involved in community and economic development efforts. These agencies administer over 300 different programs. For those on the receiving end, the result is too often frustration and delay. The regulations of one agency run counter to those of another. State and local officials find themselves in a bureaucratic nightmare, unable to make the most effective use of limited resources which the federal government can provide. If the federal-state-local partnership is to have any real meaning, the federal government must get its house in order. Through the next several months, we will be exploring a wide range of options for improving the operations of these programs. These will include procedural changes as well as organizational changes necessary to make the procedural changes happen.

5. This Conference has dealt with growth, something our nation has assumed until fairly recently was unlimited and always good. We have discovered that growth can be either healthy or destructive, and that there are more important measures of growth than size. A maturing nation must learn to manage its growth so that something besides the problems get bigger. This group has considered environmental needs, limited resources, declining cities, changing industrial and living patterns, human needs and what to do about those who have been left out and even pushed out by economic growth.

6. You thank them for coming and look forward to their full recommendations. Working together we can forge a true national unite and create a tomorrow where economic growth means human opportunity, environmental quality and fairness to all.

THE WHITE HOUSE  
WASHINGTON  
Feb. 2, 1978

Bob Lipshutz

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

GIFT AND TRAVEL POLICY FOR THE  
WHITE HOUSE STAFF

THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
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✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION  
FYI

	MONDALE
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	MOORE
	POWELL
	WATSON
	McINTYRE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE  
WASHINGTON

January 31, 1978

ok  
J

MEMORANDUM FOR THE PRESIDENT

FROM: Bob Lipshutz *BJL*  
SUBJECT: Gift and Travel Policy  
for the White House Staff

I am responding to your inquiry on my memorandum of January 30 regarding this matter.

As I mentioned in my earlier memorandum, the proposed changes are based upon our first year's experience, and also represent a general consensus of the Senior Staff.

Incorporating the change which you made on Item I, No. 2, the changes are as follows:

Section I. Gifts:

1. "Gifts from personal friends or relatives...." but with a clear definition of the relationship, would no longer have a monetary limit (previously \$5). *ok*
2. The value of items having sentimental value is changed from "having practically no market value" to "having small monetary value (less than \$20)." *ok*
3. Prohibition of gifts by a White House staff subordinate to a supervisor is a new limitation. *ok*

4. Section II. Entertainment.

Has been changed in two ways:

- a. The previous \$10 limit for private entertainment in the home of a host or a hostess has been removed; and *ok*
- b. A provision for the entertainment by meals in restaurants and tickets to events has been added, with a \$30 per person limitation. Previously, no provision was made for this type

*This should be  
limited to  
infrequent  
occasions →*

of outside entertainment; however, subject to these realistic dollar limits, this now appears to be appropriate and not insidious.

5. Section III. Travel. Is completely new, although generally we have been following this procedure throughout the year. *sk*

6. Section IV. Honoraria. Also is completely new, and is the result of my previous discussion with you. In fact, to my knowledge, this also has been the practice throughout the year. *sk*

Please let me know if you desire to discuss this matter or to have any additional information.



546

THE WHITE HOUSE  
WASHINGTON

Feb. 2, 1978

Frank Moore

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

ADMINISTRATIVELY CONFIDENTIAL

cc: Hamilton Jordan

Tim Kraft

Frank Moore Memo Re: Status  
of Panama Canal Treaty Vote  
as of 2/1/78

THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
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	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE  
WASHINGTON

February 1, 1978

*Nunn +  
Hodges +  
Burdick?  
Cannon*

*C*

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE

Because of the recent accords on Panama, the publicity Senator Howard Baker and Senator Robert Byrd have received and the deceptive vote in the Senate Foreign Relations Committee, many people have relaxed on the Hill and in the Administration thinking the treaty fight has been won. We are still 9 votes short of the necessary 67, and any combination of 67 votes that we can see is very fragile.

Some Senators who will vote for final passage will find it very difficult to vote against emotional amendments (flag amendment) which do not mean much to us but would be degrading to Panamanians.

I am, of course, optimistic that we will pass the treaties. I met with Alan Cranston last night. Bob Beckel and Bob Thomson are busy going back to see Senators, as am I. Your speech tonight will create a good mood on the Hill for the next 4 or 5 days while there is a sort of legislative vacuum.

I have some suggestions for your consideration:

1. I suggest that we arrange short appointments for you with Senators Ford, Zorinsky, Goldwater, and possibly Heinz. *ok*
2. I suggest that you call Senators Hodges, Nunn and Burdick. *done with go*
3. I suggest that Hamilton call Dr. Kissinger and ask him to talk with Zorinsky and any other undecided members he thinks he can help. *ok I will do*

Former President Ford indicated he is willing to help in specific cases. I, also, suggest you consider calling the former President and asking him to talk with Senators Roth and Ted Stevens. *I will do*

545

THE WHITE HOUSE  
WASHINGTON

Feb. 2, 1978

Hamilton Jordan  
Frank Moore

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

ADMINISTRATIVELY CONFIDENTIAL

Hamilton Jordan Note Re:  
George Meaney and Irving Shapiro

*Admin  
copy*

THE WHITE HOUSE  
WASHINGTON

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<input type="checkbox"/>	<input type="checkbox"/>	POWELL
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<input type="checkbox"/>	<input type="checkbox"/>	McINTYRE
<input type="checkbox"/>	<input type="checkbox"/>	SCHULTZE

<input type="checkbox"/>	ENROLLED BILL
<input type="checkbox"/>	AGENCY REPORT
<input type="checkbox"/>	CAB DECISION
<input type="checkbox"/>	EXECUTIVE ORDER
Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day	

<input type="checkbox"/>	ARAGON
<input type="checkbox"/>	BOURNE
<input type="checkbox"/>	BRZEZINSKI
<input type="checkbox"/>	BUTLER
<input type="checkbox"/>	CARP
<input type="checkbox"/>	H. CARTER
<input type="checkbox"/>	CLOUGH
<input type="checkbox"/>	FALLOWS
<input type="checkbox"/>	FIRST LADY
<input type="checkbox"/>	HARDEN
<input type="checkbox"/>	HUTCHESON
<input type="checkbox"/>	JAGODA
<input type="checkbox"/>	GAMMILL

<input type="checkbox"/>	KRAFT
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<input type="checkbox"/>	MITCHELL
<input type="checkbox"/>	MOE
<input type="checkbox"/>	PETERSON
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<input type="checkbox"/>	POSTON
<input type="checkbox"/>	PRESS
<input type="checkbox"/>	SCHLESINGER
<input type="checkbox"/>	SCHNEIDERS
<input type="checkbox"/>	STRAUSS
<input type="checkbox"/>	VOORDE
<input type="checkbox"/>	WARREN

THE PRESIDENT HAS SEEN.

*Ham  
J*

Mr. President:

George Meaney - As Landon reported, he is sick and in Florida so your call to him should be that we need their active help in a focused way over the next several weeks. Your suggestion should be that you will have Frank Moore call Andy Beemiller, his legislative person to go over specific names. Tell him you would appreciate their really working on 6-8 Senators.

*Call  
4/12*

*done -  
Frank  
proceed. He  
mentioned Deconcini,  
Randolph, Roth  
Schweiker*

Irving Shapiro - Ask him to work personally on the following Senators:

- Heinz and Schweiker/Pennsylvania
- Roth/his homestate
- Nunn and Talmadge/Georgia
- Long and Johnston/Louisiana
- Stevens/Alaska

*done -  
He will do all*

You should ask him for a personal report.

Hamilton Jordan

54/  
FEB 02 1978

THE WHITE HOUSE  
WASHINGTON

February 2, 1978

Tim Kraft

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

cc: Gretchen Poston

RE: JOHNNY CASH - COUNTRY MUSIC PRO-  
GRAM SCHEDULE

THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
		MOORE
		POWELL
		WATSON
		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

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	BOURNE
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	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

✓	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
✓	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN



THE PRESIDENT HAS SEEN.

ok -  
Not  
Called

THE WHITE HOUSE  
WASHINGTON

C

FEBRUARY 2, 1978

1:05 P.M.

MR. PRESIDENT

JOHNNY CASH CALLED.

FYI---GRETCHEN CALLED CASH THIS MORNING  
AND INVITED HIM TO ENTERTAIN AT THE ROMANIAN  
DINNER. CASH, HOWEVER, WILL BE OUT OF THE  
COUNTRY AT THAT TIME. GRETCHEN WILL POST-  
PONE THE COUNTRY MUSIC PROGRAM TO ANOTHER  
TIME WHEN CASH CAN BE PRESENT. GRETCHEN  
BELIEVES CASH WANTS TO APOLOGIZE SINCE THIS  
IS THE SECOND TIME HE'S HAD TO SAY NO.

T. KRAFT

542

FEB 02 1978

THE WHITE HOUSE  
WASHINGTON

February 2, 1978

Bob Lipshutz

BO The attached was returned in the President's outbox today and is forwarded to you for your information. The signed original has been given to Bob Linder for appropriate handling.

Rick Hutcheson

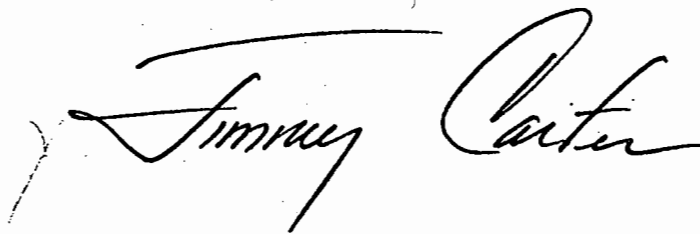
cc: Bob Linder

RE: BURNS AS ACTING CHAIRMAN  
OF FED

ORDER

-----

I hereby designate Arthur F. Burns to serve as  
Acting Chairman of the Board of Governors of the Federal  
Reserve System until such time as his successor as  
Chairman is designated, or until his resignation as a  
member of the Board of Governors, already received and  
accepted, becomes effective, whichever first occurs.

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned to the right of the main text block.

THE WHITE HOUSE,

#536

THE WHITE HOUSE  
WASHINGTON  
February 2, 1978

Jody Powell

The attached was returned in the President's outbox. It is forwarded to you for appropriate handling.

Rick Hutcheson

cc: Stu Eizenstat

NEW YORK CITY FINANCIAL SITUATION  
PRESS STATEMENT

THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION	FYI
/	
/	

MONDALE  
COSTANZA  
EIZENSTAT  
JORDAN  
LIPSHUTZ  
MOORE  
POWELL  
WATSON  
McINTYRE  
SCHULTZE

*send statement to press  
off it*

ENROLLED BILL  
AGENCY REPORT  
CAB DECISION  
EXECUTIVE ORDER

Comments due to  
Carp/Huron within  
48 hours; due to  
Staff Secretary  
next day

ARAGON  
BOURNE  
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KRAFT  
LINDER  
MITCHELL  
MOE  
PETERSON  
PETTIGREW  
POSTON  
PRESS  
SCHLESINGER  
SCHNEIDERS  
STRAUSS  
VOORDE  
WARREN

THE WHITE HOUSE  
WASHINGTON

February 1, 1978

MEETING WITH MAYOR ED KOCH OF NEW YORK CITY

Thursday, February 2, 1978  
2:00 p.m. (15 minutes)  
The Cabinet Room

From: Jack Watson *Jack*

I. PURPOSE AND BACKGROUND

Briefing memorandum from Stu is attached.

II. PARTICIPANTS AND PRESS PLAN

Mayor Ed Koch  
Harrison ("Jay") J. Goldin  
Comptroller of the City of New York  
Phil Toia (Toy-a), Deputy Mayor for Finance  
Secretary Mike Blumenthal  
Stuart Eizenstat  
Jack Watson  
Frank Moore's representative

(Ed Koch personally requested that Jay Goldin and Deputy Mayor Toia attend this meeting. He suggested that all the local political parties are as together as possible on New York City's financial plans.)

Photo session at 2:00 p.m.

Photo session with Bella Abzug. Bella is the Democratic candidate in the February 14th special election to fill Ed Koch's Congressional seat. She requested a photo opportunity with you and Mayor Koch. She will not stay for the meeting.

THE WHITE HOUSE

WASHINGTON

February 1, 1978

MEMORANDUM FOR: THE PRESIDENT

FROM: STU EIZENSTAT *Stu*  
ORIN KRAMER

SUBJECT: Meeting with Mayor Koch

This memorandum summarizes New York City's budget and financing situation. It recommends a position for you which has been cleared by Treasury. Attached is a draft statement, also cleared by Treasury, which is to be released subsequent to your meeting.

I. Background

Since 1975, Treasury has satisfied the City's short-term borrowing needs, and the union pension funds have accommodated its long-term needs. Specifically, for each of the last three years the Federal government has provided \$2.3 billion to the City to cover seasonal cash flow needs. These loans are repaid at the end of each City fiscal year. The City's pension systems have purchased \$2.8 billion of long-term City debt over the past three years.

Both of these borrowing sources end next June 30. The Seasonal Lending Act terminates then, and the unions are prohibited by federal law from increasing the total of their loans after that date. Hearings on proposed legislation to extend federal funding will begin on February 24.

II. The Current Situation

New York City's financial condition is almost as precarious as it was in 1975, when the City first confronted bankruptcy. Basically, a "resolution" of the City's financing problem means returning the City to financing self-sufficiency. A return to the public markets will require three events:

- A budget plan which would move the City budget into "real" balance.
- A "budget control mechanism" like the present State-dominated Control Board, which would keep the budget in balance and induce long-term lenders to purchase City bonds. The present Control Board expires December 31, 1978.
- A plan to finance the City's borrowing needs during the period prior to achievement of a balanced budget.

Thus there are two financial problems: the budget problem and the borrowing problem. The City presented a four-year plan to Treasury on January 20, 1978, outlining its projected needs and recommended actions in these two areas. The plan is summarized below.

#### A. City's Budget Outlook

While the City's FY 1978 budget is "balanced," as defined by State law, it will be difficult to maintain a balanced budget in upcoming years. The City's budget projections for FY 1979 suggest a "potential gap" of \$457 million. This estimate, however, does not include any increases in salaries for City employees, whose contracts will be negotiated this Spring. Moreover, it does not include the \$630 million of "expense items" which are carried improperly in the City's capital budget. The actual budget deficit, therefore, approximates \$1 billion, before any wage increases.

The City proposes to close that deficit in three ways: (a) reduced City expenditures; (b) annual increased fiscal assistance from New York State; and (c) increased federal fiscal assistance through continued countercyclical aid, the fiscal relief component of welfare reform, and other actions.

#### B. City's Financing (Borrowing) Needs

The City states it will require up to \$5 billion of long-term financing over the next four years (Treasury believes this figure could be reduced.) Neither the City nor its borrowing agent (the State-created Municipal Assistance Corporation) are likely to have access to this amount of long-term financing from the private markets.

The City also requires short-term seasonal financing of up to \$1.8 billion annually.



C. City's Recommendation for Meeting Financial Needs

The City's plan envisions a substantial increase in Federal financing assistance to the City. The Plan requests an extension of seasonal financing, at somewhat reduced levels (\$1.2 billion annually, as opposed to the current level of \$2.3 billion annually). The Plan also requests approximately \$2 billion of new Federal guarantees of long-term City bonds.

The key parties in New York view their Plan as a negotiating document. It is clear that if the Federal government helps meet the City's long-term financing needs, the City should be able to cover its short-term needs.

D. Administration Position on Four-Year Financing Plan

Treasury has not yet commented upon the elements of the City's four-year Plan. Secretary Blumenthal will meet with Mayor Koch next week to discuss preliminary reactions to the City's proposal.

III. Mayor Koch's Likely Approach

The Mayor will stress the need for Federal assistance in meeting the City's long-term financing needs. In view of all the local parties, it is necessary to avert bankruptcy. They believe seasonal lending will simply defer the bankruptcy crisis, perpetuate federal dependency and heighten the federal risk. They also believe long-term borrowing aid, which could be limited to 5-7 years despite the City's request for longer assistance, may be the necessary backstop required by local parties to deepen their own financial participation and exposure.

IV. Recommended Response

A. You should be open-minded with respect to the possibility of assistance with long-term financing, which we believe may be required. But you should also make clear that it is not possible to resolve this question pending the Administration's review of the financing roles of the various local parties. Treasury may be marginally inclined toward seasonal lending at this point, but it is critical to keep our options open. Senators Proxmire and Brooke have expressed firm opposition to long-term support, but you could note that Congressional opposition would not be a prohibitive factor in formulating our recommendations if long-term assistance were found to be necessary.

B. Your response should stress three points:

- The Administration remains committed to preserve New York City's solvency.
- That commitment has always presumed that the various local parties would have significant responsibilities in any plan to meet New York City's financing and budget needs in upcoming years. It is clear that Congress would not approve any financing assistance unless each of the local parties is perceived to have played its appropriate role.
- You recognize the great difficulties each of the local parties will face in meeting their future responsibilities. However, the Mayor should be assured that if they all do their part, the Administration will be willing to expend political credits to persuade Congress to enact a bill that will end the financing uncertainty in New York. (Note: There are questions in the City as to whether the Administration is willing to "anchor" an acceptable plan. Some of the local parties may risk intolerable legal and economic exposure if they must deepen their commitment without an "appropriate" Federal backstop).
- We would strongly recommend that you avoid discussing the particular roles of any of the parties by noting that Secretary Blumenthal will be meeting with the local parties beginning February 6 and 7 to begin a review of how a financing scheme might be structured.

DRAFT STATEMENT

ok  
J

DRAFT WHITE HOUSE STATEMENT

I was pleased to meet with Mayor Koch today to discuss New York City's current fiscal condition and its recently developed budget and financing plans to cover the next four years.

Mayor Koch is an able and courageous man whose Administration shows great promise in its early days. He has a series of difficult decisions to make. We both share a commitment, which I believe reflects the expectation of the Congress, that he will make those decisions in a way that will restore New York to a sound financial footing.

I assured him of my commitment to preserve New York City's solvency. This Administration recognizes that New York is the nerve center of some of the most important activities in this country, and I reiterate that bankruptcy is not an acceptable solution to its problems.

I reminded Mayor Koch that my commitment to find a financial solution for the City has always presumed a maximum effort by all the local parties with an interest in the City's future -- the State, the financial community, the City and State pension funds, the labor unions. I am certain that the Congress would not approve a federal financing role, or other assistance, on any other basis.

For these reasons, I have asked Secretary Blumenthal to discuss with all of these parties what they can do. Once I am satisfied that they all will do their part, I will work hard to persuade the Congress to enact a bill that will end the financial uncertainty in New York.

WASHINGTON

Electrostatic Copy Made  
for Preservation Purposes

DATE: 30 JAN 78

FOR ACTION: TIM KRAFT

Done on Ed  
Koch mty 2/2

X

INFO ONLY: FRANK MOORE (LES FRANCIS)

FRAN VOORDE

SUBJECT: COSTANZA MEMO RE SCHEDULE PROPOSAL - MEETING WITH BELLA  
ABZUG

+++++  
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +  
+ BY: 1200 PM WEDNESDAY 01 FEB 78 +  
+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: ( ) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

THE WHITE HOUSE  
WASHINGTON

/	FOR STAFFING
	FOR INFORMATION
	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION  
FYI

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
/	MOORE
	POWELL
	WATSON
	McINTYRE
	SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

/	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
/	VOORDE
	WARREN

THE WHITE HOUSE  
WASHINGTON

SCHEDULE PROPOSAL  
January 30, 1978  
FROM: MARGARET COSTANZA *MC*  
VIA: TIM KRAFT

MEETING            Greeting - Photo Opportunity

DATE:             OPEN

PURPOSE:          Bella Abzug has asked for an opportunity to  
meet with you and seek your support for her  
candidacy for the U.S. Congress

FORMAT:           - location               - Oval Office  
                     - participants       - Bella Abzug  
                     - expected length  
                                 or participation    5 minutes

PRESS COVERAGE:    None

STAFF:             MARGARET COSTANZA

RECOMMEND:        MARGARET COSTANZA

PREVIOUS  
PARTICIPATION:    None

APPROVE \_\_\_\_\_ DISAPPROVE \_\_\_\_\_



DATE: 30 JAN 78

FOR ACTION: TIM KRAFT

XC: CABLE ✓  
TATE ✓  
FM ✓

File

INFO ONLY: FRANK MOORE (LES FRANCIS)

FRAN VOORDE

SUBJECT: COSTANZA MEMO RE SCHEDULE PROPOSAL - MEETING WITH BELLA  
ABZUG+++++  
+ RESPONSE DUE TO RICK HUTCHESON STAFF SECRETARY (456-7052) +  
+ BY: 1200 PM WEDNESDAY 01 FEB 78 +  
+++++

ACTION REQUESTED: YOUR COMMENTS

STAFF RESPONSE: (✓) I CONCUR. ( ) NO COMMENT. ( ) HOLD.

PLEASE NOTE OTHER COMMENTS BELOW:

CONGRESSIONAL LIAISON:

We should look closely -- she could lose that race -- it's not  
a safe (Bella) district.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

February 2, 1978

GOLD STAR WIVES OF AMERICA

Thursday, February 2, 1978  
1:30 p.m. (5 minutes)  
Oval Office

From: Margaret Costanza *mc*

I. PURPOSE

The President will be able to meet and become aware of this organization of veterans' widows who help other widows begin a new life after the death of their veteran husbands.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

- A. Background: Gold Star Wives of America was chartered in New York in 1945. There are 26 chapters throughout the United States with some 2,000 members. The membership includes veterans' widows of World War I, World War II, the Korean War and Vietnam. These wives will be attending the Women's Forum on National Security which is presented each year by 16 women's organizations (generally women's auxiliaries of military/veterans organizations).
- B. Participants: Mrs. Edith V. Knowles, Chairman of the Board of Directors; Mrs. Lavone Tueting, National President; Mrs. Karen Sintic, National Vice President; Mrs. Lorraine Patterson, Washington Representative; Mrs. Geraldine Chittick; Mrs. Joy Dove
- C. Press Plan: White House Photo

III. TALKING POINTS

These women unselfishly give of their time to help other widows pick up the pieces and begin a new life after the death of their veteran husbands.

These women have worked effectively with Congress to obtain veterans benefits.

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

February 1, 1978

MEMORANDUM FOR THE PRESIDENT

FROM: Peter Bourne **P.B.**

SUBJECT: Meeting with Tom Hayden, Thursday  
February 2, 1978, 1:15 P.M., Oval Office.

1. Purpose

Tom has requested this meeting for 2 reasons:

1. To mention briefly to you his concerns about economic priorities in the country.
2. He is anxious to establish his political independence from Jerry Brown and feels he has no obligations to him even though many people believe he is committed to him. He would like to use the meeting with you and any other gesture you may make as a way of demonstrating that independence.

II. Participants, Background, Press

a. Participants

Tom Hayden  
Peter Bourne

b. Background

I first met Tom Hayden at the Democratic Convention in 1968, where neither of us ever got inside the convention hall. He has been a friend of Mary's for about 15 years. Of all the unpredicted experiences that have happened to me in the last 10 years, that this meeting today should take place, as much as any event, convinces me of the extraordinary viability of our political system.

Tom was the author of the "Port Huron Statement" ~~(attached)~~, the statement of principles of the Students for a Democratic Society. While S.D.S. and this document were regarded at the time as radical, inflammatory and somewhat naive many of the ideas have found their way into the mainstream

MEMORANDUM FOR THE PRESIDENT  
FROM: PETER BOURNE

of Democratic politics. Tom coined several phrases such as "participatory democracy" that have become an accepted part of conventional political rhetoric.

In the 1976 California Democratic primary for the United States Senate Tom received 40 per cent of the vote (1.2 million votes). He has since turned his campaign structure into an organization called "The California Campaign for Economic Democracy", with 25 chapters and 1000 members. It is basically a mechanism to keep his grass roots organization viable by supporting such issues as solar energy, and to work for selected local candidates. In particular he is interested in the issue of "re-ordered economic priorities".

c. Press - Photo opportunity.

### III. Talking Points

Tom is still intensely politically ambitious and I believe very available to help you with his liberal constituency in California if he feels your views are compatible with his own. You may want to discuss some of your similar political philosophies such as your ideas of a government as good as its people and the importance of participation of all levels.

He is in town for the White House Conference on Balanced Growth and Economic Development.

THE WHITE HOUSE  
WASHINGTON

Feb. 2, 1978

Frank Moore

The attached was returned in  
the President's outbox. It is  
forwarded to you for your  
information.

Rick Hutcheson

RE: B-1 VOTE IN HOUSE

THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
/	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

ACTION
FYI

	MONDALE
	COSTANZA
	EIZENSTAT
	JORDAN
	LIPSHUTZ
/	MOORE
	POWELL
	WATSON
	McINTYRE
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	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE  
WASHINGTON

February 2, 1978

*Pulled  
J*

MEMORANDUM FOR

THE PRESIDENT

FROM:

FRANK MOORE  
BILL CABLE *Bill*

SUBJECT:

B-1 vote in the House

There is a strong possibility that a vote on the B-1 will be made today. The decision will be made after we have looked at the absentees for the day. It would be helpful if you could make four phone calls.

1. Neal Smith (Iowa)--He has been with us on all but the final vote on prototypes 5 and 6.
2. Doc Long (Md)--He has a mixed record.
3. Ike Andrews (N.C.)--He has a mixed record.
4. George Shipley (Ill)--He is retiring this year and should be persuadable.

If we decide to go today, the vote will occur a little after noon.

NATIONAL PRAYER BREAKFAST

Mid East - Common belief in God




THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

February 1, 1978

MEMORANDUM TO THE PRESIDENT

FROM: JIM FALLOWS, ACHSAH NESMITH 

SUBJECT: National Prayer Breakfast

1. The prayer breakfast last year was one of your first official activities as President. Kings and princes were traditionally closely associated with the religion of their people, and throughout history they often got themselves mixed up with their gods, or claimed divine right or attempted to force their people to accept their personal religious beliefs. Our founding fathers, wisely, specifically prohibited any establishment of religion and carefully separated the state and church so that an individual's private conscience should never be interfered with by government action. But that did not mean that they rejected all faith. Their lives and writings testify to the importance of their religious beliefs in their own lives, and the importance they attached to the religious belief of others. It was because they took their faith seriously that they would allow no one to intrude upon another's beliefs, even if those beliefs were that there was no God.

2. In a nation founded on the principle of freedom of religion and speech, a leader must be careful not to infringe on the rights of others to believe differently and to practice those beliefs in different ways. But that does not require

leaders either to have no religion or to hide their faith or the practice of their beliefs. In a nation where all are free to practice their religion, our leaders must be also.

3. One of the things that positions of leadership provide is the opportunity to witness and even participate in religions different from your own, and discover the common strengths and beliefs. Strong faith, even though it differs in specifics and in practice, can unite people, both within our country and in dealing with foreign leaders. Gandhi's seven principles that you wrote down on your trip to India were not so different from those you who were taught as a child in your church at home. The strong religious beliefs of Anwar Sadat, Menahem Begin and others have given you common ground for understanding despite your very different backgrounds, as you all seek to lead honorable lives personally and to accomplish important things for your people.

4. Prayer is one of the things almost all religions have in common, and even many people who profess no belief in God do something close to praying at times -- an effort to commune with the highest good they know, a way of seeking to be in tune with nature and mankind even when they have no God to pray to.

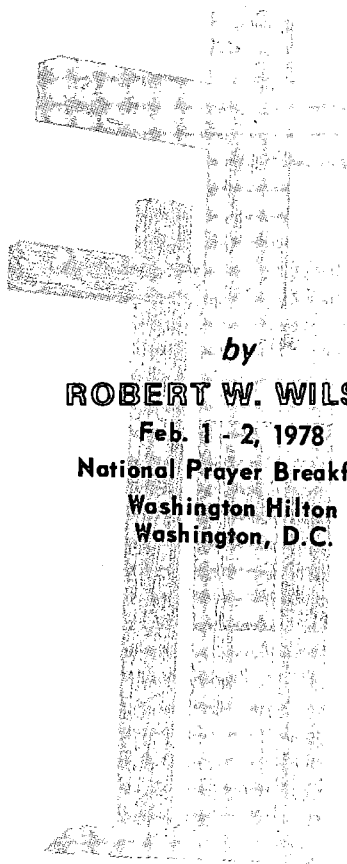
King Solomon's great prayer is as appropriate now for anyone anywhere in the world who seeks to serve his people, as it was for him as a young man hundreds of years ago, "Give therefore thy servant an understanding heart to judge thy people, that I may discern between good and bad."

5. The Bible teaches us to pray publicly, as well as privately, that we can come together and acknowledge our weaknesses and our needs without pretense and draw strength from one another's faith. As St. Paul put it, "helping together by prayer."

Dostoyevsky called prayer "an education", observing that we learn when we pray not only how we feel, but what we must ask for, and how we might use it. Prayer has been described as always asking for a miracle, that two plus two will somehow not equal four in our particular case, but it is asking for a different kind of miracle -- that we will be able to do what we know to do, that we will have the strength and courage to not only do right, but want to do right. Malcolm Muggeridge mentioned the other day here in Washington that "the line between good and evil runs straight through the human heart." Prayer is an effort to keep ourselves on the right side of that line. The Book of Common Prayer puts it well in the Morning Prayer, "We have left undone those things which we ought to have done; we have done those things which we ought not to have done." Prayer asks for the miracle that that will change.

# THE AGONY OF CHRIST

## THE CRUCIFIXION



by

**ROBERT W. WILSON**

**Feb. 1 - 2, 1978**

**National Prayer Breakfast**

**Washington Hilton**

**Washington, D.C.**



Presented by the citizens of South Carolina to the glory of God and in appreciation for the many wonderful deeds by people in fellowship with the Lord and each other throughout the world and as a cultural and spiritual contribution to the guests and visitors of the National Prayer Breakfast.

This series of paintings portrays the happenings in the closing hours of the life of Jesus Christ, The Lord. It covers the time from His condemnation to His interment in the tomb. The story begins with the betrayal of Jesus, by the disciple Judas, into the hand of the Temple authorities. With the help of the Roman garrison He is arrested and tried for blasphemy before the great Sanhedrin sitting in secret session. He is found guilty and sent to King Herod for sentencing. But the King, unable to persuade Jesus to admit to any crime, mocks Him publicly and covers Him with a purple robe, symbolizing Jesus' supposed crime - that of proclaiming Himself "King of the Jews".

Inquiries may be addressed to: Mr. F. T. Galardi  
784 Boardman Road, Aiken, S.C. 29801

## ROBERT WINDSOR WILSON

The artist, a retired Air Force pilot, who served in World War II and the Korean conflict, was born in Springfield, Ohio in 1921. He made South Carolina his home in 1963 with his wife, the former Marjorie Lambert of Woodruff.

Bob taught himself to paint while in the service. Although he has had no formal training, he became a top designer for a major company before retiring 8 years ago to paint for his own pleasure.

The eleven oils, "The Agony of Christ, The Crucifixion", is his largest complete project to date. He currently is working on an American Revolutionary series, a portion of which has been displayed in the area.



### JESUS CONDEMNED:



The scene is the courtyard of Pilate's Palace, the fortress Antonia. Jesus still wears the purple robe placed upon Him by King Herod. He has been beaten and spat upon by the Temple guards, and scourged by the Romans in what they called "the halfway death". A Roman soldier has brutally jammed a crown of thorns on His head. Now, barely able to stand, He is questioned once again by Pilate. "Are you a King?" asks Pilate, to which Jesus replies: "You say I am a King! But my Kingdom is not of this world. For this purpose I was born and for this purpose I came into the world: to give testimony to the truth. Those who are of the truth hear my voice". Pilate finds no fault with the prisoner, but Caiaphas argues that the man has preached even against Caesar and must be punished. Notwithstanding Caiaphas' arguments, Pilate thinks that the crowd would be satisfied with the terrible beating that Jesus has already received, and offers to spare His life in accordance with the Roman custom of freeing a Jewish prisoner during the Passover. But the mob would have none of it. "Crucify Him and free Barabbas" they shout.

Inflamed by Caiaphas, the crowd is becoming dangerous. The air fairly crackles with hatred and blood lust. "Take Him then, and crucify Him", shouts Pilate, alarmed. "His blood is upon your hands!"

Standing behind Pilate is his wife Claudia Procula, who that very morning warned her husband to have nothing to do with the punishment of Jesus. Now, sickened by the spectacle, she tries to turn away from the sight of this gentle teacher who had been reduced to such a pitiable state, but strangely she cannot, for in Jesus' eyes, where she expected to find hate, she sees only love for His fellow man. Pilate washes his hands of the whole affair and Jesus' fate is sealed.

### JESUS TAKES UP THE CROSS:

In the hot choking dust of the courtyard, amid the milling people and shouting Roman soldiers, Jesus struggles with the heavy cross. A Roman soldier, anxious to complete his mission, lashes at Him with a whip. The Centurion, Abenadar, has trouble controlling his horse because the animal is alarmed at the sound of the whip, and rears. One of the soldiers carries a sign upon which are crudely printed the words, "Jesus of Nazareth, King of the Jews", in Latin, Greek and Hebrew according to the instructions given by Pontius Pilate. The sign will be nailed to the cross above Jesus' head so that all may know the crime for which He was convicted. A temple follower points to the sign and screams a question at Jesus: "Why do you call yourself the King of the Jews?" Jesus cannot answer. Raising the cross to His shoulder takes all His strength. The Romans soon restore order and the procession will move through the gate which looms in the background, the gate which forever after will be known as the "Ecce Homo" gate, after the words uttered by Pilate when he brought Jesus out for the last time ("behold the man").



### JESUS MEETS HIS MOTHER:



At this turning point in the road, just off the via Dolorosa, Jesus meets His mother. Though He has told her many times of His mission here on earth and how it must end, the awful reality shocks her and she can only stare in mute horror before covering her eyes. Mary Magdalene buries her face in her hands, appalled at the shocking sight of her beloved Master's bloody countenance. Jesus' eyes grow misty and His wishes with all His heart that He could spare them from witnessing this terrible ordeal; but His mother has vowed that as she was with Him at the beginning of His life, so shall she be with Him at the end.

He turns away to continue the terrible journey to Calvary. The people around them wonder at this poignant scene and who this man is who is to be crucified, for none of Jesus' followers were at the Palace when he was condemned. Indeed, many of His believers were at the Temple waiting to hear Him preach on this holiest of Jewish times. The Roman soldier who

rudely pushes the two Marys back with his spear is the artist who painted these pictures. In the background, the crosses of the two thieves emerge from the sunlight into the gloom of the roofed-over street that hangs like a shroud of great tragedy.

### SIMON TAKES THE CROSS:

Several times Jesus has fallen and now hovers on the edge of complete exhaustion. Abenadar, an expert in executions, shrewdly guesses that something must be done or he would not reach the execution ground before Jesus dies. He forbids further whipping, and from out of the crowd comes Simon who, in a fit of compassion, has seized upon the cross and raised it from the prostrate Jesus. Abenadar now orders Simon to take the cross and the awful journey continues.



### JESUS REFUSES THE CUP:

Jesus has at last reached the place of His execution, the small round hill just outside the Genneth gate known to the Hebrews as Golgotha, or the Skull. Here Simon of Cyrene, who has carried Jesus' cross for the last part of His journey, lays it down and, with great sympathy for the condemned man in his eyes, turns away to be lost in the crowd. The last of His strength utterly consumed by the short climb to the top, Jesus turns and waits.

It was the custom in those days for the Romans to allow the women of Jerusalem to offer the condemned a cup of spiced wine. It was said that the wine deadened the senses and eased the pain. Whether it did or not made no difference to the two thieves who clutched at the wine and drank it as though it were life itself. But Jesus, knowing that to fulfill His mission He must suffer all, gently refuses even this small comfort.

One of the executioners picks up his hammer and waits for the command to begin.



### JESUS IS NAILED TO THE CROSS:

Though He willingly laid Himself on the cross, the searing pain of the driving nails tears an anguished cry from Jesus' throat, and His all too human reflexes cause Him to writhe and jerk away. The executioner at Jesus' feet leans back to avoid being struck while a Roman soldier grapples with Jesus' thrashing feet. While another executioner nails Jesus' left hand, a bored soldier kneels on His right arm waiting impatiently for the job to be done.

The High Priest Caiaphas watches closely for he must report every detail to the great Sanhedrin after the death of Jesus, but even Caiaphas is sickened by the terrible brutality of what he sees, and draws back.

In the background, the Centurion Abenadar directs the other group and we see one of the two thieves casting a terrified look over his shoulder to see what is happening to Jesus. Knowing that this is his own fate too, a cold horror clutches his heart. The other thief argues that he is a political prisoner and stole money for political reasons only and should not be crucified, but just imprisoned. But the Romans laugh and jeer at him and shove him roughly to the place of his execution.

The sky is growing darker and the hammers ring loudly. Onlookers gesticulate and cry out; and weeping is heard through the gloom for the disciple John has drawn the Holy Mother away to spare her this gruesome sight.



### THE CROSS IS RAISED:

Jesus' cross, with its suffering burden, is raised. The Roman soldiers handle it roughly; one pushes with a spear and the others shove the cross to an upright position while the executioner guides the foot of the cross into a hole where it falls with a sickening thump.

As the weight of His body bears down upon the nail in His feet, Jesus groans and tries to ease the pain by bending His knees. Then He discovers a terrible thing: He can no longer breathe! In order to breathe He must raise Himself again on the bottom nail and once more the pain becomes unendurable so He bends His legs. Again He cannot breathe. And so, up and down our Saviour must writhe on the cross in ever increasing agony. Nor can He fall unconscious for when He does the lack of air re-awakens Him.

His mouth is open, gasping for breath, and His eyes are blank with pain. For three hours more He must suffer before death releases Him.

Behind Him, where John has taken her, Mary cries out when the cross is raised and a Roman soldier shoves her back. Nearby, the Priests from the Temple discuss the execution.

Above, and beyond Mary, the crosses of the two thieves go up, and one of them cries out to Jesus to save Himself and them too if He is the Messiah. The Roman soldier behind the executioner looks at us mockingly. The sky grows even darker and people wonder at this because it is only just past noon.



## JESUS DIES ON THE CROSS:

In this crucifixion scene the artist has chosen to portray Jesus alone with His suffering, facing death alone as each of us must. He calls our attention to the unearthly light that touches the face of our Saviour in His last moment. All pain is gone now and Jesus' eyes fill with a vision of Heaven as He raises Himself on the cross for the last time, and cries out: "It is finished!"

From this moment on Christianity will spread throughout the world. History teaches us that on the instant Jesus gave up His mortal life, the sky grew suddenly stormy, lightening split the gloom and thunder crashed; the solid stone of Calvary split wide at the foot of the cross, and the blood of our Lord ran down into the earth. A great earthquake shook the land and, in the Temple, the sacred veil was torn asunder. The awesome immensity of this happening was summed up in the words of the Roman Centurion, Abenedar, as he stood at the foot of the cross with bowed head: "Assuredly, this man was the Son of God."



## HE IS TAKEN DOWN:



Joseph of Arimathea, a powerful member of the great Sanhedrin, has long been a secret follower of Jesus and believed deeply in His teachings. Knowing that it was the Roman custom to leave the remains of the condemned on the cross to rot and putrify, Joseph was emboldened to go to Pontius Pilate and request permission to remove the body for proper burial. Troubled by his own part in this day's happenings, and not a little intimidated by this powerful Jew, Pilate granted permission.

Now, with the help of John and Nicodemus, another secret follower of Jesus, Joseph removes the nails from the tortured hands and feet and lowers the still form into the arms of the three Marys. It is only about 3:30 in the afternoon, but they make haste because according to the law, Jesus must be buried before the coming of the Sabbath. Wrapping cloths, spices and herbs were brought and the women carefully and tenderly washed away the blood and dirt and prepared Him for the tomb.

## JESUS IS LAID IN THE TOMB:

Very near Calvary where Jesus died was a tomb owned by Joseph of Arimathea. Joseph now offers his tomb as a last resting place for our Saviour. Jesus is taken there and wrapped in white cloth impregnated with spices and herbs, then covered with a shroud in accordance with the custom of those days. Joseph looks long into the face of the Lord before covering Him over. The three Marys watch sorrowfully as the rites are completed.

A huge round stone will be rolled into place over the entrance and held secure with wedges. The Romans, fearful that Jesus' followers might steal His body during the night, sent soldiers to guard the entrance. The faithful were in turn afraid that the soldiers might wreak some desecration upon the remains, and so they sealed the stone all around with wax.

Melancholy indeed would it be if the story ended here!



## THE RESURRECTION:

We know that the story does not end with the interment of the body of Jesus because we know that later Mary Magdalene returned to the tomb to find the great stone rolled away and the soldiers asleep. She ran quickly to find Mary Salome and the Holy Mother, and when they returned they found the body gone from the tomb.

What happened then varies from Gospel to Gospel, but all stories agree that the Spirit of the Lord spoke to them saying "He is not here, He is risen", and with joyous hearts they ran to tell the disciples. The word spread. The joy of His triumph over death, His stunning victory over the tomb, and the surpassing glory of the Resurrection are summed up in His promise to all mankind: "Lo, I am with you always, even unto the end of the world."







Prayer Breakfast 2-2-78  
BLACKWOOD Q-TET (6)

God real - personal  
Ever present - Res/I WORSHIP DAILY

Born again - Children

Brothers = LOVER of YEAH

FAMILY = QMAN ISLAM JEW MOSLEM  
GANDHI - FAND-BEGIN-SADAT

PRAYER

PEACE

HUMILITY - DIFFICULTIES

KINGS ≠ / GOD

NO ESTAB of RELIGION

PEOPLE & LEADERS TOGETHER

VALUES WHICH DO NOT Δ

SIRICA-SOLOMON  
I Ki 3 GIVE THY SERVANT AN  
UNDERSTANDING MIND TO GOVERN  
THY PEOPLE, THAT I MAY  
DISCERN BETWEEN GOOD & EVIL



National Prayer Breakfast

Thursday, February 2, 1978

International Ballroom, Washington Hilton Hotel

Washington, D. C.

THE WHITE HOUSE  
WASHINGTON

Koch  
2-2-78

① Extend seasonal loan  
#2<sup>3</sup> auth → #1<sup>3</sup> B

② 4 yr financing pkg  
\$5 bil in all  
1/2 capital needs  
"bond out expenses"  
need govt guarantee (90-10) 7/5  
guar → pension funds only  
4 yrs → 20,000 employees

Employee pay raises "no cost"  
JC Oper exp → Cap \$640 mil/10 yrs

Golden

For President Carter

ONE  
CAR FUNERAL

GROWTH CONF  
2-2-78

Homer

My background

Planning

Processes - 150

REGIONAL COMMISSIONS  
??

Local ↔ National

I represent all

Human problems

CONST  
SMOIR  
CIVIL RIGHTS

LOC → ST → FED

Gov't action - lag?

RUR → URB → SUB → ?

Δ - inevitable - beneficial

Easy - cowardly - cast blame

Science - Service - future

DEAN  
ILVER  
SOCKER

Local Econ - INTERDEPENDENCE = GWT

PROFIT = NON-PROFIT / ROS-CHIP

MR  
DIXON

PEOPLE & JOBS + 4' MIL = STILL WASTE OF  
LIFE

ED/TRAIN/JOBS

RESPONS FED → ST

CHARLOTTE  
WILLIAMS

GOVT/BUDGET

\$ APPALACHIAN

FED → STATE → LOC

ED

MR BISHOP - GEOGRAPHY OF GROWTH

FREEDOM - POP - GROWTH - COMPETITION NOT  
BAD

Dean Ilversockers

Presenters

Ms Dixon

Ms Williams

Bishop

Ms Lamphier

Norton

PHYLLIS  
LAMPHER

FUTURE GROWTH, ECON DEV POLICY  
RESOURCE CONSTRAINT

CHANCELLOR  
NORTON

STREAM LINING GOVT

REORG - STANDARD - DECENTRALIZATION  
REGULATIONS -

GUIDE TO ME

Photostatic Copy Made  
for Presentation Purposes

THE WHITE HOUSE  
WASHINGTON

THURSDAY - FEBRUARY 2, 1978  
9:15 A.M.

MR. PRESIDENT

SENATOR ROBERT BYRD CALLED.

*Stennis - no  
Rpt. - no  
Com 7 Repub no - 54 no  
Me, Sec Def & JC's*

T.K.

*Jackson  
Cannon -  
Nunn -  
Church  
Culver  
Plant  
P. Hatfield*

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THE WHITE HOUSE  
WASHINGTON  
February 2, 1978

Frank Moore

The attached was returned in the President's outbox today and is forwarded to you for appropriate handling. Please tell us when to resubmit.

Rick Hutcheson

RE: PHONE CALLS IN SUPPORT OF THE  
BILL TO CREATE AN OFFICE OF  
CONSUMER REPRESENTATION

THE WHITE HOUSE  
WASHINGTON

	FOR STAFFING
	FOR INFORMATION
✓	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

Frank : tell us when to resubmit  
R. L.

ACTION	FYI	
		MONDALE
		COSTANZA
		EIZENSTAT
		JORDAN
		LIPSHUTZ
✓		MOORE
		POWELL
		WATSON
		McINTYRE
		SCHULTZE

	ENROLLED BILL
	AGENCY REPORT
	CAB DECISION
	EXECUTIVE ORDER
	Comments due to Carp/Huron within 48 hours; due to Staff Secretary next day

	ARAGON
	BOURNE
	BRZEZINSKI
	BUTLER
	CARP
	H. CARTER
	CLOUGH
	FALLOWS
	FIRST LADY
	HARDEN
	HUTCHESON
	JAGODA
	GAMMILL

	KRAFT
	LINDER
	MITCHELL
	MOE
	PETERSON
	PETTIGREW
	POSTON
	PRESS
	SCHLESINGER
	SCHNEIDERS
	STRAUSS
	VOORDE
	WARREN

THE WHITE HOUSE  
WASHINGTON

CALLS FOR SUNDAY NIGHT



THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

February 1, 1978

*Frank -  
Hold 'til  
next week  
J*

MEMORANDUM FOR THE PRESIDENT

FROM: FRANK MOORE *F.M./BR*

SUBJECT: Phone Calls in Support of the Bill to  
Create an Office of Consumer Representation

As I mentioned in the Weekly Legislative Report of January 28, it would be helpful if you would call a few Members of the House to urge their support of the Consumer bill. We will support adoption of H.R. 9718 (as a substitute for the original bill -- H.R. 6805).

To begin with, I suggest that you call the following Members:

- Congressman Teno Roncalio (Wyoming). He voted "No" in the 94th Congress but is undecided now. He is retiring this year so he shouldn't fear political repercussions. *Help Baucus in Wyo.* *no + + committee will give deep thought*
- Congressman Richard (Dick) Gephardt (Missouri). A freshman who is listed among the undecideds. If he can be brought along, he can influence other first-term Members. *Support Glickman Sub. then will help if possible* *??*
- Congressman Ken Holland (South Carolina). Did not vote on the bill in the 94th Congress, but is "leaning yes" now. Ken could be helpful to us among fellow "sophomores" and southern Democrats.

TALKING POINTS

- The Office of Consumer Representation (OCR) would speak on behalf of consumer interests, giving consumers the same level of participation as private interests in agency proceedings.
- The substitute bill (H.R. 9718) is a more conservative approach than the original and should not be feared by the business community.

- The bill transfers some 20 existing consumer programs -- which are now scattered throughout the Federal Government -- into one entity, the Office of Consumer Representation. The requested authorization is only \$15 million, 11.6 of which would come through the transfers automatically.

In addition to asking their support, we need more than just a vote. They should be invited to help generate additional support among their Democratic colleagues, stressing that this is an important issue for the Administration and the House Leadership.

We may ask you to make a few more calls as we get closer to a vote next week.